

91<sup>st</sup> Legislative Session – 2016

Committee: House Commerce and Energy

Wednesday, February 10, 2016

P - Present  
E - Excused  
A - Absent

Roll Call

P Beal  
P Harrison  
P Hawley  
P Kirschman  
P Novstrup (Al)  
P Stalzer  
P Steinhauer  
P Wiik  
P Willadsen  
P Wollmann  
P Zikmund  
P Schoenbeck, Vice-Chair  
P Rounds, Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Representative Tim Rounds, Chair.

MOTION: TO APPROVE THE MINUTES OF FEBRUARY 8, 2016

Moved by: Willadsen  
Second by: Beal  
Action: Prevailed by voice vote.

HB 1121: revise certain provisions concerning the regulation of vehicle dealers.

Presented by: Representative Duvall  
Proponents: Senator Peterson (Jim)  
Lindsey Riter-Rapp, SD Independent Auto Dealers Association  
Dirk Byers, SD Independent Auto Dealers Association

Mike Mehlhaff, Department of Revenue (Handouts: #1)

MOTION: AMEND HB 1121

1121ya

On the printed bill, delete everything after the enacting clause and insert:

" Section 1. That § 32-6B-5.1 be amended to read:

32-6B-5.1. The following persons do not need to be licensed pursuant to this chapter if the person meets the following conditions:

- (1) Any person engaged in the business of manufacturing trailers may display but may not sell any trailers at an event, if the event lasts three or more days and if the person registers with and purchases a permit from the Department of Revenue. If purchased in advance of the event, the person shall pay a fee of two hundred fifty dollars for a ten-day temporary permit. However, if the permit is purchased at the event, the person shall pay a fee of five hundred dollars for the temporary permit. Any person found to be in violation of the provisions of this subdivision shall be denied a temporary permit for a period of one year from the date of violation;
- (2) Any person may sell motorcycles at an event, if the event lasts three or more days and if the person registers and purchases a permit from the Department of Revenue. Before issuance of a permit, the person shall provide proof the person is a licensed dealer in the person's own state and has no outstanding dealer violations. The permit may only be issued if the new motorcycles being sold are not franchised in this state. If purchased in advance of the event, the person shall pay a fee of two hundred fifty dollars for a ten-day temporary permit. However, if the permit is purchased at the event, the person shall pay a fee of five hundred dollars for the temporary permit. Any person found to be in violation of the provisions of this subdivision shall be denied a temporary permit for a period of one year from the date of violation;
- (3) Any person may sell trailers at an event, if the event lasts three or more days and if the person registers and purchases a permit from the Department of Revenue. Before issuance of a permit, the person shall provide proof the person is a licensed dealer in the person's own state and has no outstanding dealer violations. The permit may only be issued if the trailers being sold are not franchised in this state. If purchased in advance of the event, the person shall pay a fee of two hundred fifty dollars for a ten-day temporary permit. However, regardless of whether or not there is a franchise in this state, any person may display a trailer at such an event. However, if the permit is purchased at the event, the person shall pay a fee of five hundred dollars for the temporary permit. Any person found

to be in violation of the provisions of this subdivision shall be denied a temporary permit for a period of one year from the date of violation;

- (4) Any dealer licensed in another state may sell any vehicle or motorcycle that is not titled in South Dakota if the vehicle is at least twenty years old and the motorcycle is at least thirty years old at a public auction on consignment if the title is issued in the name of the dealer and the dealer purchases a permit from the Department of Revenue. Before issuance of a permit, the dealer shall provide proof the dealer is a licensed dealer in the dealer's own state and has no outstanding dealer violations. If purchased in advance of the auction, the dealer shall pay a fee of two hundred fifty dollars for the permit. However, if the permit is purchased at or after the auction, the dealer shall pay a fee of five hundred dollars for the temporary permit. Any dealer found to be in violation of the provisions of this subdivision shall be denied a temporary permit for a period of one year from the date of violation; ~~and~~
- (5) Any person engaged in the business of manufacturing or customizing motor vehicles may display but may not sell any motor vehicle at an event, if the event lasts three or more days and if the person registers with and purchases a permit from the Department of Revenue. If purchased in advance of the event, the person shall pay a fee of two hundred fifty dollars for a ten-day temporary permit. However, if the permit is purchased at the event, the person shall pay a fee of five hundred dollars for the temporary permit. This subdivision does not apply to any customized motorcycle being built for and displayed during a sponsored event where the participants had to qualify through competition. A permit is required if any customized motorcycle is being displayed outside the sponsored event. Any person found to be in violation of the provisions of this subdivision shall be denied a temporary permit for a period of one year from the date of violation;
- (6) Any new or used vehicle dealer licensed in South Dakota may sell a vehicle titled in this state that is at least twenty years old at a public auction on consignment if the vehicle is titled in the name of the dealer and the dealer obtains a permit from the department. One permit may be used for multiple vehicles. A permit may not be issued if the dealer has an outstanding dealer violation. Any dealer found to be in violation of this division shall be denied a permit for a period of one year from the date of violation."

Moved by: Wollmann  
Second by: Novstrup (Al)  
Action: Was not acted on.

MOTION: SUBSTITUTE MOTION AMEND HB 1121

1121fa

On page 1, line 7, of the printed bill, after "displays" delete "a classic" and insert ", at a public auction on consignment, a".

Moved by: Stalzer  
Second by: Willadsen  
Action: Prevailed by voice vote.

MOTION: DO PASS HB 1121 AS AMENDED

Moved by: Wollmann  
Second by: Zikmund  
Action: Prevailed by roll call vote. (13-0-0-0)

Voting Yes: Beal, Harrison, Hawley, Kirschman, Novstrup (Al), Stalzer, Steinhauer, Wiik, Willadsen, Wollmann, Zikmund, Schoenbeck, Rounds

HB 1152: create the new frontiers program to support innovative research by South Dakota companies.

Presented by: Representative Mickelson

THE CHAIR DEFERRED HB 1152 UNTIL ANOTHER DAY

HB 1213: create the new frontiers program to support innovative research by South Dakota companies.

Presented by: Representative Mickelson  
Proponents: Pat Costello, Governor's Office of Economic Development (Handouts: #2)

MOTION: DO PASS HB 1213

Moved by: Willadsen  
Second by: Zikmund  
Action: Prevailed by roll call vote. (13-0-0-0)

Voting Yes: Beal, Harrison, Hawley, Kirschman, Novstrup (Al), Stalzer, Steinhauer, Wiik, Willadsen, Wollmann, Zikmund, Schoenbeck, Rounds

MOTION: ADJOURN

Moved by: Willadsen  
Second by: Wiik  
Action: Prevailed by voice vote.

Pam Kean  
Committee Secretary

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Tim Rounds, Chair